



## DEPARTMENT OF COMMERCE

### Submission for OMB Review; Comment Request

The Department of Commerce will submit to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act (44 U.S.C. chapter 35).

*Agency:* U.S. Census Bureau.

*Title:* Quarterly Survey of Plant Capacity Utilization.

*OMB Control Number:* 0607-0175

*Form Number(s):* MQ-C2.

*Type of Request:* Extension of a currently approved collection.

*Burden Hours:* 60,000.

*Number of Respondents:* 7,500.

*Average Hours Per Response:* 2 hours.

*Needs and Uses:* With support from the Federal Reserve Board (FRB) and the Defense Logistics Agency (DLA), the U. S. Census Bureau requests an extension of approval for the Quarterly Survey of Plant Capacity Utilization (QPC). The quarterly survey provides information on use of industrial capacity in manufacturing and publishing plants as defined by the North American Industry Classification System (NAICS). It is the only source of capacity rates at industry levels. Changes in capacity utilization are considered important indicators of investment demand and inflationary

pressure. For these reasons, the estimates of capacity utilization are closely monitored by government policy makers and private sector decision makers.

This survey utilizes a multi-mode data collection process that includes internet reporting, fax, telephone and mail. The survey collects the value of quarterly production and the value of production that could be achieved if operating under “full production” capability and “emergency production” capability. The ratio of the actual to the full is the basis of the estimates of full capacity utilization rates and similarly, the actual to the emergency for the emergency capacity utilization rates. The survey also collects information by shift, on work patterns at the actual production level.

The FRB is the primary user of the current QPC data and expressed the need for these quarterly data. The FRB publishes measures of industrial production (IP) that are either estimated from physical product data or estimated from monthly data on inputs to the production process, specifically production worker hours and an indicator of capital input. For many years, data on electric power use was used as the indicator of industry capital input. The deregulation of electricity markets led to the deterioration in the coverage and quality of the electricity data. As a result, in November 2005, the FRB discontinued its use of the industrial electric power data in the current estimates of IP. In order to maintain the quality of the IP index, the collection of these quarterly utilization data, such as the workweek of capital, become critical indicators of capital input use and industry output.

The FRB will use these data in several ways. First, the QPC data is the primary source of the benchmark information for utilization rates. Second, the capital workweek data is used as an indicator of capital use in the estimation of monthly output (IP). Third, the workweek data is used to improve the projections of labor productivity that are used to align IP with comprehensive benchmark information from the Economic Census covering the Manufacturing sector and Annual Survey of Manufactures. Finally, utilization rate data will assist in the assessment of recent changes in IP, as most of the high-frequency movement in utilization rates reflect production changes rather than capacity changes.

The Defense Logistics Agency uses the data to assess readiness to meet demand for goods under selected national emergency scenarios.

*Affected Public:* Business or other for-profit.

*Frequency:* Quarterly.

*Respondent's Obligation:* Voluntary.

*Legal Authority:* Title 13 U.S.C., Section 182.

*OMB Desk Officer:* Brian Harris-Kojetin, (202) 395-7314.

Copies of the above information collection proposal can be obtained by calling or writing Jennifer Jessup, Departmental Paperwork Clearance Officer, (202) 482-0336, Department of Commerce, Room 6616, 14th and Constitution Avenue, NW, Washington, DC 20230 (or via the Internet at [jjessup@doc.gov](mailto:jjessup@doc.gov)).

Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to Brian Harris-Kojetin, OMB Desk Officer either by fax (202-395-7245) or email (bharrisk@omb.eop.gov).

Dated: June 21, 2012

**Glenna Mickelson,**

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